

**Subpart B—Endorsements, Payment, Guaranties, Warranties and Processing of Disbursement Postal Money Orders**

**§ 762.21 Scope.**

The regulations in this subpart prescribe the requirements for endorsement and the conditions for payment of Disbursement Postal Money Orders drawn by the Postal Service.

**§ 762.22 Definitions.**

For definitions applicable to this subpart see § 762.12 of this chapter.

**§ 762.23 General rules.**

All Disbursement Postal Money Orders drawn by the Postal Service are payable without limitation of time. The Postal Service shall have the usual right of a drawee to examine Disbursement Postal Money Orders presented for payment and refuse payment of any Disbursement Postal Money Orders, and shall have a reasonable time to make such examination. Disbursement Postal Money Orders shall be deemed to be paid by the Postal Service only after first examination has been fully completed. If the Postal Service is on notice of a doubtful question of law or fact when a Disbursement Postal Money Order is presented for payment, payment will be deferred pending settlement by the Postal Service.

**§ 762.24 Guaranty of endorsements.**

The presenting bank and the endorser of a Disbursement Postal Money Order presented to the Postal Service for payment shall be deemed to guarantee to the Postal Service that all prior endorsements are genuine, whether or not an express guaranty is placed on the Disbursement Postal Money Order. When the first endorsement has been made by one other than the payee personally, the presenting bank and the endorser shall be deemed to guarantee to the Postal Service, in addition to other warranties, that the person who so endorsed had unqualified capacity and authority to endorse the Disbursement Postal Money Order on behalf of the payee.

**§ 762.25 Reclamation of amounts of paid disbursement postal money orders.**

The Postal Service shall have the right to demand refund from the presenting bank of the amount of a paid Disbursement Postal Money Order if after payment the Disbursement Postal Money Order is found to bear a forged or unauthorized endorsement, or an endorsement by another for a deceased payee where the right to the proceeds of such Disbursement Postal Money Orders terminated upon the death of the payee, or to contain any other material defect or alteration which was not discovered upon first examination. If refund is not made, the Postal Service shall take such action against the proper parties as may be necessary to protect its interests.

**§ 762.26 Postal facilities not to cash disbursement postal money orders.**

Post offices and other postal facilities shall not be expected to cash Disbursement Postal Money Orders or to return cash for endorsed Disbursement Postal Money Orders offered in payment for postal service in amounts less than the value of a Disbursement Postal Money Order. However, properly endorsed Disbursement Postal Money Orders may be accepted as total or partial payment for postal services.

**§ 762.27 Processing of disbursement postal money orders by Federal Reserve Banks.**

In accordance with an agreement between the Postal Service and the Federal Reserve Banks as depositaries and fiscal agents of the United States, Federal Reserve Banks will handle Disbursement Postal Money Orders as follows:

(a) Federal Reserve Banks shall not be expected to cash Disbursement Postal Money Orders presented directly to them for payment; and

(b) Each Federal Reserve Bank shall:

(1) Receive Disbursement Postal Money Orders from its member banks, and its other depositors which guarantee all prior endorsements thereon;

(2) Give immediate credit therefor in accordance with its current Time Schedules and charge the amount thereof to the general account of the